

STATE OF HAWAII
STATE PROCUREMENT OFFICE
HONOLULU, HAWAII
Legal Ad Date: April 9, 1998

INVITATION FOR BIDS

NO. IFB-98-128-SW

SEALED BIDS

FOR

DIGITAL MICROWAVE RADIO SYSTEM EQUIPMENT MAINTENANCE

FOR THE

DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
INFORMATION AND COMMUNICATION SERVICES DIVISION

will be received and opened at 2:00 p.m. (HST)

on

May 13, 1998

in the State Procurement Office, Kalanimoku Building, 1151 Punchbowl
Street, Room 416, Honolulu, Hawaii 96813.

Questions relating to this bid solicitation may be directed to
Mr. Marc Yamamoto at telephone (808) 586-0569, facsimile (808) 586-
0570.

ROBERT J. GOVERNS, CPPB
Procurement Officer

Name of Company

WAGE CERTIFICATE

(For Service Contracts)

Subject: IFB/RFP No.: _____

Title of IFB/RFP: _____

(To be completed by offeror)

Pursuant to Section 103-55, Hawaii Revised Statutes (HRS), I hereby certify that if awarded the contract in excess of \$5,000, the services to be performed will be performed under the following conditions:

1. The services to be rendered shall be performed by employees paid at wages or salaries not less than the wages paid to public officers and employees for similar work; and
2. All applicable laws of the federal and state governments relating to workers' compensation, unemployment compensation, payment of wages, and safety will be fully complied with.

I understand that failure to comply with the above conditions during the period of the contract shall result in cancellation of the contract, unless such noncompliance is corrected within a reasonable period as determined by the procurement officer. Payment in the final settlement of the contract or the release of bonds, if applicable, or both shall not be made unless the procurement officer has determined that the noncompliance has been corrected; and

I further understand that all payments required by Federal and State laws to be made by employers for the benefit of their employees are to be paid in addition to the base wage required by section 103-55, HRS.

Offeror _____

Signature _____

Title _____

Date _____

DIGITAL MICROWAVE RADIO SYSTEM EQUIPMENT MAINTENANCE
FOR DAGS, ICSD
IFB No. 98-128-SW

Procurement Officer
State Procurement Office
State of Hawaii
Honolulu, Hawaii 96813

Dear Sir:

The undersigned has carefully read and understands the terms and conditions specified in the Specifications and Special Provisions attached hereto, and in the General Terms and Conditions dated September 1, 1995 by reference made a part hereof and available upon request; and hereby submits the following offer to perform the work specified herein, all in accordance with the true intent and meaning thereof.

The undersigned further understands and agrees that by submitting this offer, 1) he/she is declaring his/her offer is not in violation of Chapter 84, Hawaii Revised Statutes, concerning prohibited State contracts, and 2) he/she is certifying that the price(s) submitted was (were) independently arrived at without collusion.

Date: _____

Respectfully submitted,

Telephone No.: _____

Fax No.: _____

Exact Legal Name of Offeror

Payment address, if other than
street address at right:

Authorized Signature (Original)

Title

Hawaii General Excise Tax Lic.
I.D. No.: _____

Street Address

Social Sec. or Federal I.D. No.: _____

City, State, Zip Code

If offeror shown above is a "dba" or a "division" of a corporation, furnish the exact legal name of the corporation under which the contract, if awarded, will be executed:

Offeror is: ___ Individual ___ Partnership ___ Corporation ___ Joint Venture

State of incorporation: Hawaii _____ *Other _____

*If "other", is corporate seal available in Hawaii? ___ Yes ___ No

The following bid is hereby submitted:

Bidder shall enter the corresponding total bid prices from Offer Form pages OF-3 to OF-4.

BID PRICING SUMMARY			FOR EVALUATION PURPOSES ONLY
		FACTOR	BID SCORE AMOUNT
I. Total Bid Price, Part A	\$_____	2.00	\$_____
II. Total Bid Price, Part B	_____	0.25	_____
III. Total Bid Price, Part C	_____	0.75	_____
IV. Total Bid Price, Part D-1	_____	0.50	_____
V. Total Bid Price, Part D-2	_____	0.10	_____
TOTAL SUM BID PRICE:		\$_____*	TOTAL BID SCORE \$_____

INSURANCE:

Insurance coverage will be provided by:

	<u>CARRIER</u>	<u>POLICY NUMBER</u>	<u>AGENT</u>
Commerical General Liability:	_____	_____	_____
Automobile Liability:	_____	_____	_____
Workers' Compensation:	_____	_____	_____
Temporary Disability:	_____	_____	_____
Prepaid Health Care:	_____	_____	_____

UNEMPLOYMENT INSURANCE: State of Hawaii, Department of Labor No. _____

- *NOTES:
1. Contract amount shall be the original bid price exclusive of bid score factors.
 2. **Submission of offer shall be evidence that the offeror understands and will comply with these Specifications, Special Provisions, and the General Terms and Conditions dated September 1, 1995 as referenced.**

Offeror: _____

PART A: COMPREHENSIVE MAINTENANCE

The following bid is hereby submitted.

	<u>Monthly Cost</u>	<u>Annual Total</u>
Comprehensive Maintenance of Entire System	_____	_____
TOTAL BID PRICE, PART A:		\$_____

PART B: COST FOR EQUIPMENT CHANGES

The State may include the additional equipment listed at any time during the contract period for the increase in costs as shown:

	<u>Monthly Cost</u>	<u>Annual Total</u>
Puu Kilea-Kaunakakai, Molokai DVM6-45 MHSB transmit, SD receive	_____	_____
Puu Kilea-Kaunakakai, Molokai 6 GHz MegaStar MHSB transmit, SD receive	_____	_____
Mount Kaala-Mokuleia Ridge DVM11-45 MHSB	_____	_____
Round Top-Kalanimoku SOB 11 GHz MegaStar-155 MHSB	_____	_____
TOTAL BID PRICE, PART B:		\$_____

PART C: ONE-TIME COSTS FOR REPAIRS AND UPGRADES

	<u>Total Bid Price</u>
1. Repair/Refurbish/or Replace two existing (2) dehydrators	\$_____
2. Add four (4) new dehydrators	_____
3. Acquire spare waveguide	_____
4. Upgrade FarScan computer system	_____
TOTAL BID PRICE, PART C:	\$_____

Offeror: _____

PART D: EMERGENCY SERVICES

D.1. Emergency Repointing

Cost per Incident

Any single 11 GHz or 18 GHz link (both ends) \$ _____

Any 6 GHz link (transmit dishes only for SD links, both ends) _____

Any SD 6 GHz link (four dish antennas total, two each end) _____

TOTAL BID PRICE, PART D.1. \$ _____

D.2. Emergency Waveguide Replacement

Prices for any single antenna system (most are dual feed)

The waveguide feedline to any single 11 GHz or 18 GHz antenna \$ _____

The waveguide feedline to any single 6 GHz transmit antenna _____

The waveguide feedline to any single 6 GHz diversity receive antenna _____

TOTAL BID PRICE, PART D.2. \$ _____

TOTAL BID PRICE, PART D (PART D.1. + PART D.2.): \$ _____

Offeror: _____

CLIENT REFERENCES

1. Client Name: _____

Client Address: _____

Reference Name: _____

Telephone & Fax: _____

2. Client Name: _____

Client Address: _____

Reference Name: _____

Telephone & Fax: _____

3. Client Name: _____

Client Address: _____

Reference Name: _____

Telephone & Fax: _____

The State reserves the right to contact any of the listed companies or agencies to inquire about the bidder's services.

Offeror:

PERSONNEL QUALIFICATIONS
(Submit one form for each microwave technician)

Name: _____

Employed by: _____ Years with Employer _____

FCC license (attach copy) number and expiration date: _____

Factory training completed (attach copies of course completion certificates):
List course and completion date:

Years of experience with multi-hop, over-water, high-capacity (DS3 or better)
digital microwave systems utilizing space diversity receiving systems and
computer based remote control and monitoring systems:

Qualifications and vita: _____

Offeror: _____

SPECIFICATIONS

INTRODUCTION

The Information and Communication Services Division (ICSD) of the State of Hawaii Department of Accounting and General Services (DAGS) owns and operates a statewide digital microwave communications system. This digital microwave is part of the HAWAIIAN Wide Area Integrated Information Access Network (HAWAIIAN). The HAWAIIAN digital microwave system interconnects the State Office Buildings (SOBs) in Lihue, Honolulu, Wailuku, and Hilo and includes equipment at eight remote sites located throughout the State. Seven of the remote sites are located at State-controlled facilities. The eighth remote site is at a commercial facility where the ICSD is a tenant.

All of the digital microwave radios in the HAWAIIAN system carry a DS3 (45 Mbit/sec) payload. Data, voice, and video signals transported in digital form over the system provide State departments and agencies with communications services that enable them to perform their daily tasks and serve the public. The HAWAIIAN digital microwave provides the essential over the water connection necessary to link State government networks on the neighbor islands with each other and the network center in Honolulu.

SCOPE

The intent of this bid is to provide for the monitoring and maintenance of the operational status of the ICSD HAWAIIAN digital microwave radio system equipment defined herein. The required maintenance services will ensure the continuous and proper operation of the Harris/Farionon digital microwave radios, standby and backup components and systems, and associated equipment by providing routine and pro-active maintenance; rapid response to alarms, out-of-tolerance conditions, and failures; maintenance, warehousing, and inventory of spares and test equipment; and written documentation of system and equipment performance, problems, repairs, and cures.

All bids must be in compliance with these Technical Specifications, Special Provisions, and General Conditions of this bid.

EQUIPMENT

The HAWAIIAN digital microwave system is comprised of Harris/Farionon digital microwave radios and associated equipment. The digital microwave radios on all but one of the existing seven (7) 6 GHz links were upgraded in 1995 to be equivalent to Harris/Farionon DVM6-45 Excell-DTE by the replacement of the radio modem shelves. The other 6 GHz link (Haleakala-Wailuku) was installed new in January 1996 and uses DVM6-45 Excell-DTE digital microwave radios. Four (4) existing 18 GHz links utilize Harris/Farionon DVM18e-45 radios and (at the SOBs) DVT-44 multiplexers.

The system includes a personal computer based system controller at the Kalanimoku SOB in Honolulu running DOS-based version 3.26 of the FarScan remote system control and alarm network software. The HAWAIIAN microwave system equipment also includes, but is not limited to, Harris/Farionon DVA alarm remote terminals, Harris/Farionon DVS II orderwire units, Harris/Farionon DVI voice interface cards, Ardax

orderwire interface, Sentry paging system, and digital signal cross-connect (DSX) panels located in the microwave equipment rack. Also included as part of the HAWAIIAN microwave system is all DC power equipment and battery systems connected to the microwave facilities, including chargers, low-voltage disconnects, fuse panels, batteries, interconnecting wiring, DC-to-DC converters, and DC-to-AC inverters at the SOBs which are used to power other network equipment. The HAWAIIAN microwave system also includes waveguide pressurization systems and waveguide dehydrators as well as the waveguide combining systems at facilities where the HAWAIIAN antenna systems are shared (combined) with the University of Hawaii (UH) Hawaii Interactive Television System (HITS) microwave system. The HAWAIIAN microwave system equipment covered under this bid does not include motor generators, automatic generator control equipment, and power transfer switches, but does include the wiring that connects the external control and monitoring terminals of these systems to the FarScan controlled input/output terminals of the microwave radio. Also covered are FarScan alarm and control connections to the facility doors, over-temperature sensors, and air-conditioning control panel alarm terminals. Equipment covered under this bid does not include the air-conditioning timer or control systems. Also not included under this bid are any of the State/federal Rainbow system microwave equipment or the UH HITS microwave equipment, wiring between the Harris/Farinon equipment and other radio systems, or any DSX panels located external to the digital microwave equipment racks. This bid does not cover maintenance of microwave tower structures, radio site real estate, buildings, or other structures.

The HAWAIIAN digital microwave system has two main routes and a spur link:

North Route:

Lihue SOB-Mt. Kilohana, Kauai	DM18e-45 MHSB ¹ (DVT-44 at Lihue SOB)
Mt. Kilohana-Mt. Kaala, Oahu	DVM6-45 ² MHSB transmit, SD ³ receive
Mt. Kaala-Round Top, Oahu	DVM6-45 MHSB
Round Top-Kalanimoku SOB	DM18e-45 MHSB (DVT-44 at the SOB)

South Route:

Kalanimoku SOB-Round Top	DM18e-45 MHSB (DVT-44 at the SOB)
Round Top-Puu Kilea, Lanai	DVM6-45 MHSB transmit, SD receive
Puu Kilea-Haleakala, Maui	DVM6-45 MHSB transmit, SD receive
Haleakala-Kaupulehu, Hawaii	DVM6-45 MHSB transmit, SD receive
Kaupulehu-Humuula, Hawaii	DVM6-45 MHSB transmit, SD receive
Humuula-UH Hilo	DVM6-45 MHSB
UH Hilo-Hilo SOB	DM18e-45 MHSB (DVT-44 at Hilo SOB)

Maui Spur Link:

Haleakala-Wailuku SOB	DVM6-45 MHSB
-----------------------	--------------

¹ MHSB is Monitored Hot Stand-By, also know as "protected"

² All 6 GHz radios are Harris/Farinon DVM6-45 Excell-DTE or equivalent and operate in 10MHz wide channels in the upper 6 GHz band.

³ SD is Space Diversity

MAINTENANCE SERVICE TO BE BID

A. Comprehensive Maintenance

All labor, personnel travel costs and per diem; parts, materials, supplies, and consumables; any additional tools, equipment, and safety gear required; costs for storage, transportation, shipping, and supervision; as necessary to accomplish the maintenance activities described herein shall be included in the total amount bid.

B. Comprehensive Maintenance Cost Changes for System Reconfiguration

During the contract period, the right to include additional equipment may be exercised as expansion requirements dictate. The State will have the right to redeploy, decrease, and/or increase the number of cards installed in the multiplexer shelves of the radios and DVT-44 multiplexers at any time without any additional charge. The bidder shall separately quote the yearly cost to add maintenance coverage for the following proposed radiolinks, assuming that the State will provide all necessary spare parts:

Puu Kilea-Kaunakakai, Molokai ⁴	DVM6-45 ⁵ MHSB transmit, SD receive
Puu Kilea-Kaunakakai, Molokai ⁶	6 GHz MegaStar ⁷ MHSB transmit,SD receive
Mount Kaala-Mokuleia Ridge	DVM11-45 MHSB
Round Top-Kalanimoku SOB ⁸	11 GHz MegaStar-155 MHSB

Bidder's quoted price for the items above shall include all costs incurred to factory train bidder's employees on equipment not currently in the ICSD's inventory at the time the addition of equipment occurs. Note that the costs to be quoted for this bid on the four items above only cover maintenance related items. If and when the ICSD decides to proceed with the addition of any of the four radiolinks listed above, the installation will be procured separately.

C. One Time Charges for Beginning of Contract Repairs and Upgrades

The bidder shall also separately quote a one time cost for labor and materials, to be incurred at the beginning of the contract, for each of the activities listed which are necessary to increase system reliability, repair existing deficiencies, and/or modernize the HAWAIIAN digital microwave system. Note that ICSD may, at its sole option, and depending upon the availability of funds, decide to proceed with all, some, or none of the

⁴ Includes standard DC power plant components at Molokai (batteries, chargers, etc.)

⁵ System may be in the "lower" 6 GHz band

⁶ Includes standard DC power plant components at Molokai (batteries, chargers, etc.)

⁷ Harris/Farinon MegaStar-2000

⁸ An alternative location in downtown Honolulu is the State Office Tower, 235 S. Beretania Street

activities listed in this section. Bid prices for options listed in this section must remain valid for the first 180 days after award of the comprehensive maintenance. ICSD's right to purchase any of the options listed at the price bid expires 180 days after award of the comprehensive maintenance.

1. Repair or Replace two (2) dehydrators. Repair or replace two failed Andrew DryLine MT-300-101 waveguide dehydrator units currently in the spare parts inventory. These units will be kept for use as temporary replacements when on-line units are being refurbished or repaired.
2. Add four (4) new dehydrators. Add four MT-301-201 waveguide dehydrators, one each at Round Top, Puu Kilea, Haleakala, and Kaupulehu. Work includes all labor necessary to install the dehydrator units at each site, including electrical service (breaker, conduit and outlet) installation, alarm wiring, and rerouting and valve replacement as necessary to segregate the waveguide systems. The new MT-301-201 dehydrators will be used exclusively for the HAWAIIAN antenna systems; the existing units will service the remaining antenna systems at the facilities. Valves will be provided to allow dehydrator isolation and cross-connection of air systems should one of the two units at the site fail.
3. Acquire spare waveguide. The bidder shall procure, warehouse, and maintain spare waveguide, to include:

500' of Andrew EW-63 waveguide for 6 GHz;
250' of Andrew EW-180 waveguide for 18 GHz;
250' of Andrew EWP-90 waveguide for 11 GHz;
4 connectors for each type of waveguide (12 total);
and
two splice kits for each type of waveguide.

Warehousing and maintenance includes the installation of one connector on each of the waveguide types. All waveguide shall be stored pressurized using one of the spare waveguide dehydrators. Costs and responsibilities associated with the routine or emergency repair or replacement of exterior waveguide are covered below in Section D.4.b.

4. FarScan computer system. Upgrade the FarScan computer and monitor. Replacement of existing computer system with a PC compatible computer capable of running either DOS-based or Windows-based FarScan software with all necessary hardware and operating system software (software licenses to be transferred to the ICSD), with the following minimum specifications:

266 MHz Intel Pentium II processor
32 Mbytes of RAM
3.2 Gbyte hard drive
3.5" (1.44 Mbyte) and 5.25" (1.2 Mbyte) floppy drives
Iomega 100 Mbyte Zip Plus drive
Two RS-232 serial ports
Modem capable of 9600 baud (internal modem can be substituted
in lieu of one RS-232 port)
24x CD-ROM drive
17" SVGA monitor

Microsoft Windows95
Microsoft DOS 6.22

Replacement includes all necessary labor, programming, and wiring to fully integrate the new computer into the HAWAIIAN digital microwave system. FarScan software will be provided by the ICSD.

D. Per Incident Costs for Emergency Services As Required

The bidder shall also separately quote the per incident cost for the emergency services listed below. The services will be provided on an as requested basis upon written notification from the ICSD.

1. Emergency Repointing. The bidder shall separately quote the per incident cost to repoint and optimize microwave dish antennas that have gone off-path. Repointing services include all labor and materials necessary to re-optimize the microwave path. Costs are to be quoted per class of link independent of locations. Three classes of links exist: 11 GHz or 18 GHz short haul links, 6 GHz links with only one antenna at each end of the link (this class will also include repointing of transmit dishes only for space diversity links), and a full space diversity link (two antennas at two sites). Efforts to re-optimize must begin within 24 hours of notification. Repointing crews will include qualified riggers and at least one microwave technician. Employees working on high steel will at all times work to all applicable government and industry tower safety standards. Should the initial re-pointing fail to return the radiolink to its previous level of performance, the bidder will be responsible for any subsequent repointing operations necessary to achieve final optimization of the link in question.
2. Emergency Waveguide Replacement. The bidder shall separately quote the per incident cost to replace damaged waveguide. Replacement services include all labor and materials. Bidder must replace any spare waveguide used from the ICSD inventory with a new continuous piece of the appropriate Andrew waveguide. Separate prices need to be shown for each class of antenna system regardless of location. Prices must reflect the costs to completely replace both feedlines if the antenna system is dual feed. The three classes of antenna waveguide systems are: any 11 GHz or 18 GHz antenna system, any single 6 GHz transmit antenna, and any 6 GHz diversity receive antenna. Efforts to replace damage waveguide must begin within 24 hours of notification providing that waveguide is made available from the ICSD spare waveguide inventory. Waveguide replacement crews will include qualified riggers and at least one microwave technician. Employees working on high steel will at all times work to all applicable government and industry tower safety standards.

GENERAL REQUIREMENTS

SPECIFICATIONS

S-5

Comprehensive Maintenance

Maintenance services must be prompt and effective and must always be performed by trained, certified, and experienced personnel. The bidder shall provide all labor, personnel travel costs and per diem; parts, materials, consumables, and supplies; any additional tools, equipment, and safety gear required; costs for storage, transportation, shipping, and supervision to maintain all equipment in good working order in compliance with the original equipment manufacturer's specifications.

All maintenance and repair work shall be done at the ICSD's telecommunications facilities throughout the State unless otherwise authorized by the ICSD.

Maintenance service shall include preventative maintenance based on the specific needs of the individual equipment and on-call remedial maintenance. Maintenance service shall also include cleaning, adjustment, and replacement of worn or malfunctioning parts, to maintain the equipment at the original equipment manufacturer's specification. Maintenance parts supplied by the bidder shall be only original equipment manufacturer's parts, either new or as equivalent to new as certified and approved by the original equipment manufacturer.

Hours of Operation

Due to the importance of maintaining the operational status of the HAWAIIAN digital microwave, the bidder's service personnel must be available 24 hours a day, 7 days a week to perform all maintenance or repair services. All bidder's employee costs for work performed after hours, on weekends or holidays, or otherwise on an overtime or emergency basis are the responsibility of the bidder.

Testing and repairs that are disruptive to system operations and/or are traffic affecting will be performed outside of the State's normal working hours when at all possible. For the purpose of this bid, the State's normal working hours is defined as that period on normal State workdays from 7:00 a.m. to 5:00 p.m.

Responsiveness

Prompt response to requests for service is an important consideration to the ICSD. Bidder shall acknowledge all requests for service from the ICSD within one-half (1/2) hour from the time the service request is made. Bidder will provide a service center telephone number or service technician pager numbers by which a service request can be made.

On-site response to service affecting alarms ("red alarms") will occur as soon as possible, and unless other arrangements are made with the ICSD during the initial call back, no later than:

Oahu - two (2) hours on-site response

Islands other than Oahu - eight (8) hours on-site response, or two (2) hours on-site response after the neighbor-island arrival of the next available regular commercial flight from Oahu, whichever is later.

On-site response to non-service affecting alarms ("yellow alarms") will occur by the end of the next regular business day unless other arrangements are made with the Contract Administrator during the initial call back.

System Monitoring, Sentry Paging Unit, and Non-Harris Alarms

The bidder will at all times monitor the HAWAIIAN digital microwave system status. This monitoring will include, but not be limited to, having at least one system technician available at all times reachable by an on-call pager that can be dialed by the ICSD staff or automatically dialed by the Sentry paging unit. The service technician will respond to all pages received from the Sentry paging unit by either remotely or directly accessing the FarScan control and monitoring system and using the information received to plan an appropriate response. All service affecting alarms must be addressed as soon as possible and will fall under the responsiveness requirements outlined above whether the service request page was automatically or human initiated. The bidder will work with the ICSD staff to develop procedures to notify the Contract Administrator for non-service affecting alarms.

Other non-HAWAIIAN digital microwave alarm inputs may be connected to the Sentry Paging Unit or the FarScan remote monitoring inputs at the ICSD's discretion. The bidder will work with the ICSD staff to develop notification procedures to notify third parties for the alarms that are not directly related to the HAWAIIAN digital microwave radio or facilities (e.g. Fujitsu DMIX and FLM). In no case will the bidder be responsible for any action other than making one good faith attempt to pass along the alarm notification to the third party.

Original Equipment Manufacturer's Engineering Changes

From time to time the original equipment manufacturer may make technical improvements to existing installed equipment and software. Such changes are usually accomplished through field engineering changes. The bidder will install such improvements at no cost to the ICSD. Improvements will be installed during regular service intervals and in no case later than the later of 60 days after materials to make the change are made available by the manufacturer or the next regular semi-annual maintenance event.

Parts

The bidder will assume all costs for repairs of the Harris/Farinon equipment listed in this bid. The ICSD recommends, but does not require, that the bidder acquire and maintain an extended equipment warranty as available under the Annual Repair Service Program (ARSP) from Harris/Farinon. If the bidder does not make use of the Harris/Farinon ARSP program, the bidder will explain in writing how it expects to provide an equivalent to the ARSP program that will guarantee that the ICSD HAWAIIAN Harris/Farinon equipment will be eligible for the ARSP program or its equivalent, if such exists from Harris/Farinon at that time, at the termination of this contract. The bidder must guarantee that all equipment maintenance, repairs, modifications, upgrades, and/or parts replacement be made in such a manner as to

be compatible with the practices recommended by the original equipment manufacturer.

The ICSD will provide to the bidder through an existing inventory, State-owned spare parts, spare modules, material, and test equipment. The bidder will be required to sign in acceptance of the State provided inventory received at the start of the contract and will be responsible to return an equal number of each item received upon termination or completion of the contract. Any part or module purchased or received as replacement inventory by the bidder must be equal or better in specification and quality and be accepted by the original equipment manufacturer as a replacement. At the end of the contract, all parts, modules, material, and test equipment must be returned in good working condition, free of defects, clean, appropriately packaged, and (if appropriate) in current calibration. Also, at the time, all manufacturer's warranties against defects in materials and workmanship for parts, modules, material, and equipment received in replacement of ICSD provided inventory shall be transferred to ICSD.

Major Service Interval

The ICSD requires that the major service interval (the "semi-annual maintenance") be six (6) months. This is half the time period recommended by the original equipment manufacturer, Harris/Farinon (see DVM6-45 instruction manual, section II, page 1-1). Semi-annual maintenance will include all items recommended by Harris/Farinon for annual maintenance for the DMV6-45, DVT-44, and DM18e-45 products. Semi-annual maintenance will also include in-service testing of off-line (hot-standby) units as well as spare modules. Any in-service testing will be coordinated with the ICSD Assistance Center and the ICSD radio engineer to minimize impacts to users. Other activities to be accomplished at the semi-annual maintenance activity include:

- Battery plant testing (including re-torquing of all high-current connections);
- Production of a Module repair List (include RMA numbers as appropriate);
- Updating of the DS1 routing map (in conjunction with ICSD staff);
- Listing of alarm histories for the previous 6 months; and
- Production of a tabular listing of Harris/Farinon equipment status.

The semi-annual report will provide at least the information currently provided in the **most recent (August 1997) semi-annual maintenance report (Attachment 1) in a similar format**. Note that the forms as used in the attached sample contain more information than that recommended by the original equipment manufacturer. All additional information and test and monitoring points shown in the attached example must be provided. Also note that the confidential DS1 routing map has been removed from the attached semi-annual report sample.

The last semi-annual report issued by the bidder under this contract must also include a comprehensive inventory of all spare parts, test fixtures, and test equipment owned by the ICSD that

is currently in the bidder's possession. The inventory should indicate make, model, serial number, and, if appropriate, date of last calibration.

Weekly Report

The bidder shall provide a written weekly report listing all system all system alarms, problems, indicents, repairs, cures, upgrades, and any status changes on inventory or items under repair. Two sample weekly reports are attached. Reports will be sent by facsimile transmission to the ICSD Assistance Center staff and management, the ICSD radio engineer, and the ICSD Systems Networking Branch or as otherwise directed by the ICSD.

Waveguide Systems

The bidder shall be responsible for all of the waveguide assemblies that are located inside of the microwave facilities. Comprehensive maintenance does not include the inside portion or the connector of the elliptical waveguide that exits the building and connects to the antenna; this is covered in Section C.4.b, Emergency Waveguide Replacement. Responsibility does include all rigid and flex waveguide segments connecting to the radio assemblies as well as the circulators, isolators, and filters in the waveguide combining systems, even those that connect to the UH HITS system. However, the UH and its maintenance contractor are responsible for the HITS radios beginning at the waveguide flange on the rear of the UH HITS radio equipment.

FarScan

Although the ICSD currently monitors the HAWAIIAN digital microwave with DOS-based FarScan software, the State of Hawaii is licensed to use and has copies of the Windows-based version of FarScan. As part of the comprehensive maintenance, the bidder will install, test and make recommendations on the effectiveness and use of new versions of FarScan at the request of the ICSD at no additional cost. The bidder will also be responsible for updating the alarm readouts within FarScan as the HAWAIIAN digital microwave system alarms grow or change with time. The bidder is not responsible for the costs of acquiring new versions of FarScan.

FarScan Activity Summaries

The bidder will, on a weekly basis, copy the FarScan activity log to a bidder supplied diskette. Once a month, a copy of a diskette containing the weekly logs will be forwarded to the ICSD radio engineer. Diskettes shall be provided by the bidder.

Dehydrator Maintenance

The bidder will be responsible for all costs associated with the routine maintenance, repair, and/or replacement of all waveguide dehydrators, pressurization units, valves, low pressure alarm sensors, and gauges in the HAWAIIAN digital microwave system. The bidder will at the request of the ICSD, or at least annually, replace or rehabilitate dehydrator desiccants and filters. The bidder will perform all recommended dehydrator maintenance

including, but not limited to, replacement of filters and seals. The bidder will include the dehydrator total run time meter reading in the semi-annual report.

Test Equipment Calibration

All test equipment used to monitor, maintain, and troubleshoot the HAWAIIAN digital microwave will be maintained and kept in factory calibration by the bidder. Test equipment includes:

- 2 each Hewlett Packard 3787B Digital Data Test Sets
- Phoenix MicroSystems Inc. T1 MicroBERT 5575A-1544-1 with DSO Drop/Insert 5575A-5565-1
- Hewlett Packard 435B Power Meter with 2 each 8483A Power Sensors
- 2 each Systron Donner 6520 Frequency Counters
- 2 each Waveline 822 Precision Rotary Vane Attenuator with 802-40 Coupler

Factory calibration will be performed at the interval as recommended or required by the original equipment manufacturer and will be accomplished such that calibration expiration will occur no sooner than ninety (90) days after the last day of this contract or contract extension, as appropriate. Bidder will be responsible for providing printer ribbons, printer paper rolls and related consumable items for the internal printers of the Hewlett Packard 3787B Digital Data Test Sets for the duration of this contract.

Power Systems and DC Battery Plant

The bidder will be responsible for semi-annual maintenance of all batteries in DC power plants connected to the HAWAIIAN radios (including the 12 Globe GQC160 batteries and PCP-FE-24-35 charger in the Kalanimoku SOB 5th floor radio room connected to the DM18e). Battery maintenance includes measuring individual cell voltage, re-torquing of all high-current connections, removal of any terminal corrosion, and re-greasing or similar coating of battery terminals. The bidder is not responsible for replacing bad battery cells or units discovered during maintenance activities, but must notify the ICSD immediately in writing of any bad cells. The bidder is responsible for all other electronics associated with battery chargers, DC wiring, fuse panels, fuses, monitors, alarms, and DC-to-AC inverter systems at the SOB's. The bidder will also calculate an estimated battery hold time (based upon battery plant capacity and normal current load) for each site and include it in the semi-annual report.

DSX Wiring

The bidder will be responsible for keeping the wiring associated with DSX panels located in the radio or multiplexer racks in a clean and organized state. The bidder is not responsible for pulling new cables from facility equipment to the rear of the DSX. The bidder will make changes to the front panel cross connect wiring at the request of the ICSD at no additional cost.

Warehousing

The bidder will provide on the island of Oahu, an organized, clean and secure storage facility for the spare parts, spare modules, and test equipment associated with the HAWAIIAN digital microwave system. Representatives of the ICSD will have free and unfettered access to this storage area during normal business hours. The ICSD may require the bidder to provide current inventory of all parts, equipment and material received from the State upon five (5) working days notice.

SPECIAL PROVISIONS

SCOPE

The furnishing of Digital Microwave Radio System Equipment Maintenance for the Department of Accounting and General Services, Information and Communication Services Division (DAGS-ICSD), shall be in accordance with these Special Provisions, the attached Specifications, and the General Terms and Conditions dated September 1, 1995 included by reference and made a part hereof. Copies of the General Terms and Conditions are available at the State Procurement Office, 1151 Punchbowl Street, Room 416, Honolulu, Hawaii, and on the internet at <http://www.state.hi.us>.

CONTRACT ADMINISTRATOR

The Administrator, Mr. Thomas I. Yamashiro, DAGS-ICSD, acting either directly or through his authorized representative, is designated Contract Administrator. The telephone number at which he may be reached is (808) 586-1920.

TERM OF CONTRACT

Term of contract shall be for a one (1) year period beginning July 1, 1998 and ending June 30, 1999. The contract may be extended by mutual agreement without the necessity of rebidding for up to four (4) additional twelve month periods or portions thereof, provided that the contract price for the extended period shall remain the same or lower.

If the option to extend is mutually agreed upon, Contractor shall be required to execute a supplement to the contract. The Contractor or the State may terminate the extended contract at any time upon ninety (90) days prior written notice.

BIDDER QUALIFICATION & REFERENCES

The bidder must have a minimum of three (3) year experience within the State of Hawaii in the maintenance of multi-hop, over-water, high-capacity (DS3 or better) digital microwave systems utilizing space diversity receiving systems and computer based remote control and monitoring systems. **Each bidder shall indicate on Offer Form, page OF-5, the names, addresses and contact persons for whom work has been provided.** The State reserves the right to contact any of the listed companies to inquire about the bidder's performance on those projects.

Contractor's License. The bidder must possess a current contractors license for C-15 Electronic Systems Contractor in order to perform wiring modifications that will be required from time to time as noted herein. **Bidder shall submit a copy of the current license.**

Personnel Qualifications. Bidder must identify its staff of factory trained and experienced maintenance service personnel on Offer Form, page OF-6. The HAWAIIAN digital microwave equipment shall be maintained only by personnel who have been trained and certified by the original equipment manufacturer on the same type and model of radios. For this solicitation the bidder must have a minimum of two (2) maintenance personnel. These maintenance personnel must have this project assigned to them as their primary task. The bidder may change

Personnel Qualifications (continued)

personnel assigned to the HAWAIIAN digital microwave maintenance project only with the advance written approval of the ICSD's Contract Administrator. Personnel must have a minimum of three years experience with digital microwave systems that includes experience with multiple hop systems, over-water links, high-capacity (DS3 or better) digital payloads space diversity receiving systems and computer based remote control and monitoring systems. **At the time of the bid opening at least two maintenance personnel must be factory trained on the Harris/Farion DVM6-45 Excell-DTE radio system and at least one staff member must be trained on FarScan software.**

Maintenance personnel who have the HAWAIIAN digital microwave maintenance project assigned to them as their primary task must meet the experience criteria stated above and be trained and certified by the original equipment manufacturer on the DVM6-45 Excell-DTE radio system and the FarScan software prior to having the HAWAIIAN digital microwave maintenance project assigned to them as their primary task. Training on the dissimilar medium capacity Harris/Farion DVM 2/6/10-8T/12T is not an acceptable substitute for the required DVM6-45 Excell-DTE training. Personnel must also possess a valid commercial General Radiotelephone license from the Federal Communications Commission.

The ICSD realizes that factory training on the Harris/Farion DM18e-45 radio is no longer available. Bidders should submit a statement of corporate and/or personnel resources, experience, and/or training that will be available to support the DM18e-45 radios.

Copies of factory training certificates received by service personnel, their FCC licenses, and a statement of type and duration of experience each of the service technicians must be submitted with the bid.

Access Procedures. The bidder agrees to follow the site access and security procedures of the ICSD. The bidder agrees to provide personal background information for its employees, such as but not limited to Social Security identification.

WRITTEN INQUIRIES

Inquiries or questions concerning discrepancies, omissions, non-compliance with any requirement of this IFB, or doubts as to the meaning of specifications, special provisions, general terms and conditions, or evaluation and selection must be communicated in writing to:

State Procurement Office
1151 Punchbowl Street, Room 416
Honolulu, Hawaii 96813
Attn: Mr. Marc S. Yamamoto
Fax: (808) 586-0570

Bidder may provide its express mail service account number so that responses may be sent to bidder with minimum delay. Every effort will be made to ensure that responses are available in a timely basis, however, the State is not responsible for bidder's late receipt of responses to written questions due to carrier delays.

SITE VISITS

Prospective bidders should visit each site to inspect the HAWAIIAN digital microwave equipment, familiarize themselves with the existing condition of the equipment, understand the route and procedures to reach the facilities, and become fully informed as to the type and amount of work to be performed. **Bidders may contact the ICSD Technical Representative, Robert J. Hlivak, at (808) 586-1930 to arrange for a visit of the telecommunication sites to inspect the HAWAIIAN equipment.** Confirmation of site visits must be made at least 5 working days prior to the visit, with the exception of the Mt. Kaala site, where a minimum of 7 working days are required. Visitors to Mt. Kaala will need to provide Social Security numbers and be approved for access by the U.S. Air Force. Prospective bidders are responsible for their travelling expenses incurred for the examination of the HAWAIIAN digital microwave system. The ICSD will make every effort to accommodate site visits by prospective bidders. However, the State and the ICSD will not be responsible for bidder's inability to bid due to either: the unavailability of ICSD personnel to arrange and/or accompany bidders on site visits; or if bidder's representative does not receive timely approval to visit the Mt. Kaala site; or if weather or road conditions prohibit access to any of the facilities; or if bidder's representative is unable to make the site visits on the date indicated below:

April 21, 1998	Kilohana SOB and Mt. Kilohana
April 22, 1998	Kalanimoku SOB and Round Top
April 23, 1998	Puu Kilea
April 24, 1998	Wailuku SOB and Haleakala
April 27, 1998	Kaupulehu
April 28, 1998	Mt. Kaala
April 29, 1998	Humuula, Hilo SOB and UH Hilo

Submission of offer shall be evidence that the offeror understands and will comply with these Specifications, Special Provisions, and the General Terms and Conditions dated September 1, 1995 as referenced.

BID PREPARATION

OFFER FORM, Page OF-1. Offeror is requested to submit its offer using offeror's exact legal name as registered with the Department of Commerce and Consumer Affairs, if applicable; and to indicate exact legal name in the appropriate space on OFFER FORM, page OF-1. Failure to do so may delay proper execution of the contract.

Offeror's authorized signature shall be an original signature in ink. If OFFER FORM, page OF-1, is unsigned or the affixed signature is a facsimile or a photocopy, the offer shall be automatically rejected unless accompanied by other material, containing an original signature, indicating the offeror's intent to be bound.

Tax Clearance. An **original or certified copy** of a tax clearance certificate issued by the Hawaii State Department of Taxation (DOTAX) and the Internal Revenue Service (IRS) must be submitted with offeror's sealed offer by the due date and time.

The tax clearances from DOTAX and IRS shall be obtained on the attached one-page, two-sided **Tax Clearance Application (Form A-6, Rev.1998)** which is accompanied by Instructions that offerors should

Tax Clearance. (continued)
carefully read. Effective March 1, 1998, only this revised Form A-6 will be accepted by DOTAX and IRS.

Out-of-state offerors should mail their application to DOTAX's Oahu District Office.

Effective 12/1/97 tax clearance certificates are valid for a **six-month** (not 180 day) period beginning on the later dated DOTAX or IRS approval stamp. For example, a 12/15/97 certificate is valid through 6/15/97.

The tax clearance submitted with the sealed offer must be valid on the solicitation's legal ad date or any date thereafter up to the offer due date. A valid tax clearance received with the offer will remain valid for the contract award.

For the purpose of this solicitation the State Procurement Office will accept the attached completed SPO Form TEMP B, "Certification for Tax Clearance" in place of the DOTAX Form A-6 (Rev.1998), if offeror is unable to obtain a tax clearance certificate in time for submittal with the sealed offer. However, the successful offeror is required to submit a tax clearance certificate prior to award.

NOTE: The above tax clearance requirement is in addition to the existing requirement for final payment. Refer to the special provisions on INVOICING below for information on the tax clearance requirement for final payment.

Tax Liability. Work to be performed under this contract is a business activity taxable under Chapter 237, Hawaii Revised Statutes (HRS), and Chapter 238, HRS, where applicable. Both out-of-state and Hawaii contractors are advised that the gross receipts derived from this solicitation are subject to the general excise tax imposed by Chapter 237, HRS, at the current rate of 4%, and where applicable to tangible property imported into the State of Hawaii for resale, subject to the ½% use tax imposed by Chapter 28, HRS.

Original Proposal and Copies to be Submitted. Offeror shall submit one (1) original proposal marked "ORIGINAL" and four (4) copies of the original marked "COPY". It is imperative to note that the Offeror must submit only one original and the required number of copies.

Offeror is encouraged to submit typewritten offers. If handwritten, it should be clearly printed. Offeror is cautioned that illegible offers of any item(s) may be automatically rejected to avoid any errors in interpretation by the reviewers during the evaluation process.

Bid Quotation. Bid prices shall be all inclusive, and shall include all costs for labor; equipment; parts and materials; transportation of personnel, equipment, parts and materials; delivery and setup; applicable taxes and any other expenses necessary to perform the services and or the delivery and installation of equipment as specified in this bid solicitation.

Offer Guaranty. **A BID SECURITY DEPOSIT IS NOT REQUIRED FOR THIS SOLICITATION.**

References. Bidder shall list on Offer Form page OF-5, the names, addresses and contact persons for whom the bidder has performed maintenance service on a regular basis that is similar in nature and volume to the services specified herein, that will qualify the bidder to perform the project. The State reserves the right to contact the references provided.

Personnel Qualifications. Bidder shall complete the "Personnel Qualifications" form on Offer Form, page OF-6, for each technician to be assigned to this project. Refer to Special Provisions page SP-1 and SP-2 regarding the specific information required for each technician.

Insurance. Bidder shall provide the insurance information as requested on Offer Form page, OF-2.

STATUTORY REQUIREMENTS OF SECTION 103-55, HRS

Refer to Section 2.8 of the General Terms and Conditions. Offeror shall complete and submit the attached wage certification by which offeror certifies that the services required will be performed pursuant to Section 103-55, HRS.

Offerors are advised that Section 103-55, HRS, provides that the services to be performed shall be performed by employees paid at wages not less than wages paid to public officers and employees for similar work. Accordingly, offeror should consider the wage rates when preparing his/her quote.

Offerors are further advised that in the event of an increase in wage rates to public employees performing similar work during the contract period, Contractor will be obliged to provide wages no less than those increased wages.

Contractor shall be further obliged to notify its employees performing work under this contract of the provisions of Section 103-55, HRS, and of the current wage rate for public employees performing similar work. Contractor may meet this obligation by posting a notice to this effect in the Contractor's place of business accessible to all employees, or Contractor may include such notice with each paycheck or pay envelope furnished to the employee.

METHOD OF AWARD

Award, if any, will be made to the responsive and responsible bidder submitting the lowest Total Bid Score. The Bid Score is based upon the lowest Total bid Bid Price for Parts A, B, C, D.1 and D.2 and is calculated as shown below.

BID SCORE EQUALS THE SUM OF:

- 2.00 times the Total Bid Price, Part A, and
- 0.25 times the Total Bid Price, Part B, and
- 0.75 times the Total Bid Price, Part C, and
- 0.50 times the Total Bid Price, Part D.1, and
- 0.10 times the Total Bid Price, Part D.2.

For the purpose of calculating the Bid Score only, the results of all multiplication calculations shall be rounded up to the nearest whole cent. Should the offer with the lowest Total Bid Score be a tie, the responsive and responsible bidder with the lowest Total Bid

METHOD OF AWARD (continued)

Score for Part A shall be awarded the contract. The contract amount to be executed shall be the original bid price exclusive of the bid score factors. Bidder must bid on all items to qualify for award.

Prior to awarding the contract, the State will require verification of the following insurance coverages:

- Workers' Compensation
- Temporary Disability
- Prepaid Health Care
- Unemployment Insurance

EXECUTION OF CONTRACT

The State shall forward a formal contract to the successful offeror for execution. The contract shall be signed by the successful offeror and returned within ten (10) days after receipt by the offeror. NO PERFORMANCE AND PAYMENT BONDS ARE REQUIRED.

INSPECTION

All work done and all materials furnished shall be subject to inspection and approval by the Contract Administrator so as to ascertain that the services rendered are in accordance with the requirements and intentions of the Specifications and Special Provisions. The Contract Administrator may require additional information as necessary to maintain a record of the services rendered, and also request that the Contractor accompany him on field inspections to be scheduled periodically.

The Contract shall furnish the Contract Administrator with three copies of the various reports and summaries as indicated in the Specifications.

REMOVAL OF CONTRACTOR'S EMPLOYEES

The Contractor agrees to remove any of its employees from services rendered and to be rendered to the State, upon request in writing by the Contract Administrator.

CLEAN-UP

The Contractor shall keep the job site free of debris, litter, refuse, etc. and shall clean all oil drippings during the daily progress of work. The Contractor shall remove all servicing equipment from the area upon completion of the work.

WARRANTY

The Contractor shall submit a written warranty for replacement of any integral part of equipment listed herein, as guaranteed by the manufacturer.

The warranty shall consist of the period covered from the date of installation, make, model number, serial number and location of the equipment.

INVOICING AND PAYMENT

Contractor shall submit original and three copies of the invoice to:

Department of Accounting and General Services
Information and Communication Services Division
1151 Punchbowl Street
Honolulu, HI 96183
Attn: Fiscal Office

Payment shall be made to the Contractor at the monthly contracted price upon certification by the ICSD that the Contractor has satisfactorily performed the required services. All invoices shall reference the assigned contract number.

Section 103-10, HRS provides that the State shall have thirty (30) calendar days after receipt of invoice or performance of services, to make payment. For this reason, the State shall reject any bid submitted with a condition requiring payment within a shorter period. Further, the State will reject any bid submitted with a condition requiring interest payments greater than that allowed by Section 103-10, HRS, as amended. The State will not recognize any requirement established by the Contractor and communicated to the State after award of the contract which requires payment within a shorter period or interest payment not in conformance with statute.

A tax clearance certificate must accompany the invoice for final payment and shall be an original or certified copy, not over two-months old.

LIABILITY INSURANCE

Contractor shall maintain insurance acceptable to the State in full force and effect throughout the term of this contract. The policy or policies of insurance maintained by the Contractor shall provide the following limit(s) and coverage(s):

<u>Coverage</u>	<u>Limits</u>
Commercial General Liability (occurrence form)	\$500,000 combined single limit per occurrence for bodily injury and property damage

Each insurance policy required by this contract shall contain the following clauses:

1. "This insurance shall not be canceled, limited in scope of coverage or non-renewed until after 30 days written notice has been given to the State of Hawaii, Department of Accounting and General Services, State Procurement Office, P. O. Box 119, Honolulu, Hawaii 96810-0119."

LIABILITY INSURANCE (continued)

2. "The State of Hawaii is added as an additional insured as respects to operations performed for the State of Hawaii."
3. "It is agreed that any insurance maintained by the State

of Hawaii will apply in excess of, and not contribute with, insurance provided by this policy."

The Contractor shall maintain the minimum insurance required in full compliance with the Hawaii Insurance Code throughout the entire term of the contract, including supplemental agreements. The policy or policies of insurance maintained by the Contractor shall provide the limits and coverages specified herein.

The Contractor agrees to deposit with the State of Hawaii, on or before the effective date of this contract, certificate(s) of insurance necessary to satisfy the State that the insurance provisions of this contract have been complied with and to keep such insurance in effect and the certificate(s) therefore on deposit with the State during the entire term of this contract. Upon request by the State, Contractor shall furnish a copy of the policy or policies.

Failure of the Contractor to provide and keep in force such insurance shall be regarded as material default under this contract, entitling the State to exercise any or all of the remedies provided in this contract for a default of the Contractor.

The procuring of such required policy or policies of insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this contract. Notwithstanding said policy or policies of insurance, Contractor shall be obliged for the full and total amount of any damage, injury, or loss caused by negligence or neglect connected with this contract.

LIQUIDATED DAMAGES

Liquidated damages are fixed at the sum of ONE HUNDRED DOLLARS (\$100.00) for each and every work day the Contractor delays in the completion of any item of its contract after the required date of said completion.

ADDITIONS AND EXCEPTIONS TO THE GENERAL TERMS AND CONDITIONS

Approvals. Any agreement arising out of this offer is subject to the approval of the Department of the Attorney General as to form, and to all further approvals, including the approval of the Governor, required by statute, regulation, rule, order, or other directive.

Cancellation of Solicitations and Rejection of Offers. The solicitation may be cancelled or the offers may be rejected, in whole or in part, when in the best interest of the purchasing agency, as provided in Sections 3-122-95 through 3-122-97, Hawaii Administrative Rules.

Provisions from the General Terms and Conditions Not Applicable. Sections 2.11 and 2.14 of the General Terms and Conditions which apply specifically to the Request for Proposals method of source selection are not applicable to Invitation for Bids. Also Sections 2.10 and 2.13 which apply specifically to the Invitation for Bids method of source selection

ADDITIONS AND EXCEPTIONS TO THE GENERAL TERMS AND CONDITIONS (continued)

are not applicable to Requests for Proposals.

Records Retention. The Contractor and any subcontractors shall maintain the books and records that relate to the Agreement and any cost

or pricing data for three (3) years from the date of final payment under the Agreement.

Preparation of Offer. General Terms and Conditions Section 2.5, paragraph four, is rescinded and replaced with the following:

"An offeror may submit only one offer in response to a solicitation. If an offeror submits more than one offer in response to a solicitation, then all such offers shall be rejected. Similarly, an offeror may submit only one offer for each line item (if any) of a solicitation. If an offeror submits more than one offer per line item, then all offers for that line item shall be rejected."

Preference for Hawaii Products. General Terms and Conditions Section 3.1(B), paragraphs one and two only are rescinded and replaced with the following: "A purchasing agency shall review all specifications in a bid or proposal for purchase from the Hawaii products list where these products are available; provided that the products: Meet the minimum specifications and the selling price f.o.b. jobsite; unloaded, including applicable general excise tax and use tax, does not exceed the lowest delivered price in Hawaii f.o.b. jobsite; and unloaded, including applicable general excise tax and use tax, does not exceed the lowest delivered price of a similar non-Hawaii product by more than: three per cent where class I Hawaii products are involved; five per cent where class II Hawaii products are involved; or ten per cent where class III Hawaii products are involved.

All persons submitting bids or proposals to claim Hawaii products preference shall designate in their bids which individual product and its price is to be supplied as a Hawaii product.

Where a bid or proposal contains both Hawaii and non-Hawaii products, then for the purpose of selecting the lowest bid or purchase price only, the price bid or offered for a Hawaii product item shall be decreased by subtracting therefrom: three per cent, five per cent, or ten per cent for the class I, class II, or class III Hawaii product items bid or offered, respectively. The lowest total bid or proposal, taking the preference into consideration, shall be awarded the contract unless the bid or offer provides for additional award criteria. The contract amount of any contract awarded, however, shall be the amount of the bid or price offered, exclusive of the preferences."

Printing Preference. General Terms and Conditions Section 3.1(C), paragraphs one and two are rescinded and replaced with the following: "All bids or proposals submitted for a printing, binding, or stationery contract in which all work will be performed in-state, including all preparatory work, presswork, bindery work, and any other production-related work shall received a fifteen per cent preference for purposes of bid or proposal evaluation.

Where bids or proposals are for work performed in-state and out-of-state, then for the purpose of selecting the lowest bid or evaluating proposals submitted only, the amount bid or proposed for work performed out-of-state shall be increased by fifteen per cent. The lowest total
ADDITIONS AND EXCEPTIONS TO THE GENERAL TERMS AND CONDITIONS (continued)

offer, taking the preference into consideration, shall be awarded the contract unless the solicitation provides for additional award criteria. The contract amount awarded, however, shall be the amount of the price offered, exclusive of the preference."

Bond Forms. The bond forms, Exhibits B through H, are replaced by the forms issued by the Procurement Policy Board Directive No. 1997-01, dated November 12, 1997, included herein by reference and made a part hereof. Copies of the bond forms are available at the State Procurement Office, 1151 Punchbowl Street, Room 416, Honolulu, Hawaii 96813.

ATTACHMENT #1